



Department of Vermont Health Access

Agency of Human Services

**Department of Vermont Health Access
Pharmacy Benefit Management Program
Provider Manual
March 2017**



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Introduction

Pharmacy claims for Vermont's publicly funded programs are processed by our pharmacy benefit management company Change Healthcare®).

This Provider Manual consists of a list of contacts, program-specific information, a list of informational resources and web links, and payer specifications. All of this material will be updated periodically as needed. For the most current version go to:

<http://dvha.vermont.gov/for-providers>

For Vermont's purposes, here and hereafter all references to Vermont Medicaid will mean all current publicly funded health assistance programs that include a drug benefit (Medicaid, Dr. Dynasaur, VPharm, Healthy Vermonsters, and General Assistance and VMAP, the HIV/AIDS Medication Assistance program).

Help Desk Telephone Numbers

Responsibility	Help Desk	Phone Numbers	Availability
Recipient:			
Beneficiary	Vermont Member Services Unit	800-250-8427	M-F 8:00AM – 4:30PM (excluding holidays)
Provider:			
HPE*	Provider Enrollment and Payment	800-925-1706 (in state) 802-878-7871 (out of state)	M-F 8:00AM – 5:00PM
Change Healthcare	Pharmacy Help Desk	844-679-5362	24/7/365
Change Healthcare	Prescriber Help Desk	Phone: 844-679-5363 Fax: 844-679-5366	24/7/365
Airoldi, Robyn VMAP Coordinator Vermont Department of Health	Prior Authorization (Designated drugs on the HIV/ AIDS Medication Assistance Program list only)	802-951-4005(phone)	M-F 8:00AM – 4:30PM (excluding holidays)

*HPE will continue to handle provider enrollments and process and distribute pharmacy provider reimbursements and remittance advices (RAs).

Email Address:

PBA_VTHelpdesk@changehealth.com

Important Addresses

<u>Provider Paper Claims Billing Address:</u> Change Healthcare 1 Green Tree Lane South Burlington, VT 05403	<u>Notes:</u> VTPOP and VTPARTD manual forms can be found online: http://dvha.vermont.gov/for-providers/pharmacy
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Department of Vermont Health Access (DVHA) Pharmacy Operations Unit

NOB 1 South, 280 State Drive
 Waterbury, VT 05671-1010
 802-241-0141 (Operations Manager)

Drug Coverage

General coverage rules are as follows:

Medicaid as a unique program covers most prescription drugs with the exceptions found [here](#). General coverage conditions under Medicaid pharmacy and the pharmacy only programs can be found [here](#).

Section II - Program Designs – 2017

Some DVHA programs include full health insurance coverage. All include a pharmacy benefit. These programs include:

DVHA Pharmacy Programs

Plan	Benefit	Potential Beneficiaries	Income Limit	Resource Limit	Monthly Premium	Beneficiary Copayment	Coinsurance
Vermont Medicaid / Dr. Dynasaur (Covers inpatient and outpatient health care and pharmacy)	Medicaid Covered Drugs, select OTC's and certain Diabetic Supplies	Medicaid: Aged / disabled, children, parents or caretakers of children. Dr. Dynasaur: income eligible, under age 18 and pregnant women	Dr. Dynasaur: up to 312% of FPL Pregnant Vermonters with incomes lower than 208% FPL are covered under Dr. Dynasaur	Applies only to Medicaid	Medicaid: None Dr. Dynasaur: \$0 - \$60	Medicaid: \$1, \$2 and \$3, depending on cost of drug. Dr. Dynasaur: no copayments. In addition, beneficiaries through age 20, nursing home residents and pregnant woman are excluded from paying copayments.	None
Healthy Vermonters (A pharmacy-benefit only program)	Beneficiary pays the state's rate for Medicaid covered drugs, select OTC's and certain Diabetic Supplies	Aged / disabled and others with no pharmacy coverage or coverage with an annual limit that has been met	Aged or disabled: up to 400% of the FPL; others: up to 350% of the FPL	None	None at this time	Beneficiary pays the state's rate for drugs	None

DVHA Pharmacy Programs for Members Eligible for Medicare

Plan	Benefit	Potential Beneficiaries	Income Limit	Monthly Premium	Beneficiary Copayment/Coinsurance
Full-Benefit Duals	Coverage of defined drugs in classes that are excluded from Medicare Part D coverage. (Note: Full-benefit duals do not have a PDP deductible, donut hole or coinsurance.)	Aged or disabled with Medicare Part D pharmacy coverage and/or creditable coverage. Resource limit applies.		None	Copayments of up to \$8.25 apply to Part D plan coverage; Copayments of \$1, \$2 and \$3, depending on cost of drug, apply to Medicare Part D excluded drugs. In addition, beneficiaries through age 20, nursing home residents and pregnant woman are excluded from paying copayments on the drugs excluded from Part D coverage.
100% LIS-eligible VPharm Members (can be VPharm 1, 2 or 3)	1) PDP copayments of no greater than \$8.25 should be billed to VPharm. Claims greater than this amount will be rejected. 2) Coverage of defined drugs in classes that are excluded from Medicare Part D coverage. (Note: 100% LIS-eligible VPharm members do not have a PDP deductible or coinsurance.)	Aged or disabled with Medicare Part D pharmacy coverage. Requires that Medicare has deemed members eligible for subsidy.	See below: Members can fall into any of the FPL categories listed below for VPharm members.	\$15/\$20/\$50 depending on VPharm plan.	Part D copayment of \leq \$8.25 should be billed to VPharm. Patient is responsible for \$1 or \$2 of the Part D copayment, depending on the cost of the drug.
VPharm 1	1) Payment of the PDP premium not covered by the Low Income Subsidy (LIS) and cost-sharing for drugs covered by beneficiary's PDP and not covered by the LIS (copayment, deductible, and coinsurance), and 2) coverage of defined drugs in classes that are excluded from Medicare Part D coverage.	Aged or disabled with Medicare D pharmacy coverage. No resource limit.	\leq 150% of the FPL	\$15 per person	Part D copayment/coinsurance should be billed to VPharm. Patient is responsible for \$1 or \$2 of the Part D copayment, depending on the cost of the drug.
VPharm 2	1) Payment of the PDP premium and cost-sharing for maintenance drugs covered by beneficiary's PDP (copayment, deductible and coinsurance, and 2) coverage of defined maintenance drugs in classes that are excluded from Medicare Part D coverage.	Aged or disabled with Medicare D pharmacy coverage. No resource limit.	$>150\%$ but $\leq 175\%$ of the FPL	\$20 per person	Part D copayment/coinsurance for maintenance drugs should be billed to VPharm. Patient is responsible for \$1 or \$2 of the Part D copayment, depending on the cost of the drug.

DVHA Pharmacy Programs for Members Eligible for Medicare (Continued)

Plan	Benefit	Potential Beneficiaries	Income Limit	Monthly Premium	Beneficiary Copayment/Coinsurance
VPharm 3	1) Payment of the PDP premium and cost-sharing for maintenance drugs covered by a beneficiary's PDP (copayment, deductible, coinsurance and "donut hole"), and 2) coverage of defined maintenance drugs, primarily OTC's, in classes excluded from Medicare Part D coverage.	Aged or disabled with Medicare D pharmacy coverage. No resource limit.	>175% but <= 225% of the FPL	\$50 per person	Part D copayment/coinsurance for maintenance drugs should be billed to VPharm. Patient is responsible for \$1 or \$2 of the Part D copayment, depending on the cost of the drug.
Healthy Vermonters with Medicare Part D Coverage	Beneficiary pays the state's rate for drugs in classes that are excluded from Medicare Part D coverage.	Aged, disabled with no pharmacy coverage other than Medicare Part D, or coverage with an annual limit that has been met. No resource limit.	Aged or disabled: up to 400% of the FPL; others up to 350%	None at this time	Beneficiary pays the state's rate for drugs

Note: Effective August 1, 2009, DVHA will only cover the cost-sharing (deductible, donut hole and coinsurance) for select statins (HMG COA reductase inhibitors) and proton pump inhibitors (PPIs) for VPharm Part D-eligible beneficiaries. • Statins – all dosage strengths of simvastatin, lovastatin, atorvastatin, and pravastatin. • PPIs – omeprazole Rx, pantoprazole, and lansoprazole • Most of the drugs no longer covered by VPharm under this pilot do not require prior authorization (PA) from the Part D Plans. However, if a beneficiary obtains a PA from his/her Part D Plan, the drug will continue to be covered by VPharm. • VPharm coverage denials for non-covered drugs can be appealed, but only when a prescriber can provide, through the DVHA appeals process, a detailed explanation regarding drugs that were either found to be ineffective or resulted in adverse or harmful side effects, or were expected to be ineffective or result in harmful or adverse side effects.

DVHA Over-The-Counter (OTC) Pharmacy Coverage

Vermont Medicaid, Dr. Dynasaur (Medicaid by 1115 Waiver), State Children's Health Insurance Program (SCHIP)	<ol style="list-style-type: none"> 1. Manufacturer rebate required. 2. OTC coverage requires a prescription, and the drug must be part of the medical treatment for a specific current health problem. 3. Prior authorization and other limitations of the Preferred Drug list (PDL) may apply. 4. Coverage is limited to generic drug formulations except as specified in the PDL
VPharm 1 (100% State funded for deductible, coverage gap, coinsurance and copayments)	<ol style="list-style-type: none"> 1. Manufacturer rebate required. 2. OTC coverage limited to those drugs that are not covered by PDP. A prescription is required, and the drug must be part of the medical treatment for a specific current health problem. There is no coverage for OTC proton pump inhibitors. 3. Prior authorization and other limitations of the Preferred Drug list (PDL) may apply. 4. Coverage is limited to generic drug formulations except as specified in the PDL
VPharm 2 & 3 (100% State funded for deductible, coverage gap coinsurance and copayments)	<ol style="list-style-type: none"> 1. Maintenance drug coverage only. 2. Manufacturer rebate required. 3. OTC coverage limited to diabetic supplies, loratadine, cetirizine and non-steroidal anti-inflammatory analgesics (NSAIDS) when not covered by PDP. A prescription is required, and the drug must be part of the medical treatment for a specific current health problem. 4. Prior authorization and other limitations of the Preferred Drug list (PDL) may apply. 5. Coverage is limited to generic drug formulations.

Non-Covered Drugs:

The following drugs/drug classes are not covered through the pharmacy benefit:

1. DESI drugs
2. Experimental drugs
3. Fertility agents
4. Drugs to treat erectile dysfunction
5. Weight loss drugs
6. Some OTCs (primarily brands)
7. Bulk Powders used in compounding (see page 12)

Over-the-Counter Drugs:

For Medicaid and VPharm 1 Members, OTC drugs are covered when medically necessary, prescribed by a qualified Medicaid provider, and a federal rebate agreement with the manufacturer is in force. Covered OTCs are limited primarily to generics, without the option of prior authorization for brand products. A list of covered OTC medication categories is published at <http://dvha.vermont.gov/for-providers>.

For VPharm II and III Members: VPharm II and III benefit plans have limited OTC coverage. See DVHA's Program Coverage document at <http://dvha.vermont.gov/for providers>.

Some supplies may be submitted through POS (e.g., diabetic supplies and family planning supplies). The supply must have a corresponding NDC.

Nutritional supplements (liquid nutritionals): Nutritional supplements may be submitted via the POS system but do require Prior Authorization. Refer to the specific prior authorization form for Nutritional Supplements.

DME Products:

Most DME supplies should be submitted to DVHA on DVHA's DME prior authorization form, which can be found at <http://dvha.vermont.gov/for-providers/mnf-revised-09-14.pdf>. These DME products are reviewed by the DVHA Clinical Operations Unit and should be faxed to 802-879-5963. Exceptions are lancets, test strips, syringes, and spacers, which can be submitted through the pharmacy benefit. A complete list of preferred diabetic supplies can be found on the DVHA website at: <http://dvha.vermont.gov/for-providers/pharmacy>.

Diapers are covered through the DVHA Medical Benefit. PA is required when the request is for 300 or more units (a combination of chucks, pads and diapers). The prior authorization form can be found at <http://dvha.vermont.gov/for-providers/incontinence-supplies-081116.pdf>

Diaper requests should also be faxed to (802) 879-5963.

Rebate Requirements:

Drug coverage is contingent upon CMS rebate agreements with the manufacturers. The VPharm program (Part D "wrap" coverage) is a qualified State Pharmaceutical Assistance Program (SPAP). Vermont statute requires that manufacturers pay pro-rated SPAP rebates that are at least as favorable as the CMS rebates paid to the state for its Medicaid program.

Vaccines and Vaccine Administration:

1. Influenza Vaccines

DVHA-enrolled pharmacies may be reimbursed for specific injectable influenza vaccinations administered by pharmacists to adults 19 years and older that are enrolled in Vermont's publicly funded programs. Pharmacists must be certified to administer vaccines in the state of Vermont and must be in compliance with all Vermont laws governing vaccine administration. Failure to comply with all Vermont immunization regulations will subject these claims to recoupment.

Children age 6 months through 18 years presenting for flu vaccination at pharmacies should be referred to their health care provider for State-supplied vaccine.

Reimbursement and billing for adults 19 years and older: Pharmacies are reimbursed for the ingredient cost of the flu vaccine as well as an administration fee. No dispensing fee is paid for these claims.

Reimbursement will be based on either a written prescription or non-patient specific written protocol based on a collaborative practice agreement per state law. These orders will be kept on file at the pharmacy.

For influenza vaccine only: An administration fee \$20.35 is paid to the pharmacy for influenza vaccinations only. Administrative fees will not be paid for other vaccinations.

The same Administration Fee is applied to In-State and Out-of-State pharmacies.

Through the pharmacy POS system, the pharmacy must submit the code "MA" in the Professional Service Code field for the influenza vaccine claim in order to receive full reimbursement.

There will be NO member co-pay for all influenza vaccines.

Covered Services 2016-2017 Influenza Season:

- ✓ Fluzone® (Quadrivalent, Intradermal)
- ✓ Fluarix® (Quadrivalent)
- ✓ FluLaval® (Quadrivalent)
- ✓ Fluvirin® (Trivalent)
- ✓ Afluria® (Trivalent, Quadrivalent)

Required NCPDP Fields:

Required NCPDP Fields		
NCPDP Field Number	NCPDP Field Description	Required Code
440-E5	Professional Service Code	MA
407-D7	Product/Service ID	NDC for Flu Vaccine

2. Other Vaccines

The member needs to be 19 or older for the vaccine claims to process. Vaccine claims for members under 19 years old will reject: 70 - 'PRODUCT SERVICE NOT COVERED Member age less than 19.'

Prior Authorization

Prior authorization may be required for all programs except General Assistance and Healthy Vermonters.

All drugs and supplies requiring prior authorization can be identified on the Preferred Drug List. The list and criteria for prior authorization can be found at:

<http://dvha.vermont.gov/for-providers/preferred-drug-list-clinical-criteria>

All prior authorizations must be faxed to the number below.

Responsibility	Help Desk	Fax Numbers	Availability
Change Healthcare	Prescriber Help Desk	844-679-5366	24/7/365

For updates on the status of a requested PA, you can call the Change Healthcare Prescriber Help Desk at 1-844-679-5363.

Emergency 72-Hour Fill

An emergency fill can be dispensed when a required prior authorization has not been secured, and the need to fill the prescription is determined to be an emergency. **If the prescriber cannot be reached to obtain the required prior authorization, the pharmacist may dispense an emergency supply to last up to 72 hours.**

- The pharmacy should send in PA Type Code (461-EU) = 2 and PA# (462-EV) = 72 on the claim, in which case an emergency 72-hour fill is allowed.
- Limit emergency fill to one 72-hour supply per member/per drug for each calendar month.
- If the emergency persists, additional emergency overrides can be done by the Change Healthcare Pharmacy Help Desk.
- Dispensing Fee applies to Emergency Fills
- 'Lost and stolen' is different from Emergency Fill. See "Refill Too Soon" on page 23 for details.

General Assistance

Beneficiaries may be enrolled in General Assistance in one of two ways:

- General Assistance only; i.e., there is no other “primary” Medicaid coverage; *or*
- General Assistance as secondary coverage with another Medicaid program as primary.

Coverage is limited to classes of drugs identified as likely to create an emergency if not covered.

Generic Substitution Policy

Vermont law requires that when available, the equivalent generic product should be dispensed. The Preferred Drug List may require a brand to be dispensed in lieu of a generic in limited circumstances when net cost to the state is lower than the generic.

Statins and Proton Pump Inhibitors (PPIs) - VPharm

DVHA will only cover the cost-sharing (deductible and coinsurance) for select statins (HMG COA reductase inhibitors) and proton pump inhibitors (PPIs) for **VPharm Part D-eligible beneficiaries**.

- Statins – all dosage strengths of atorvastatin, simvastatin, lovastatin and pravastatin.
- PPIs – omeprazole (Rx), pantoprazole, and lansoprazole. If a beneficiary obtained a prior authorization from their Part D Plan for a statin or PPI not on the list above, the drug will be covered by VPharm through the VPharm PA process.
- If no Medicare Part D prior authorization is in place, a VPharm coverage exception may be possible for a non-covered drug but only when a prescriber can detail the conditions that make it strictly medically necessary and/or provide evidence that the VPharm covered drugs are harmful.

Long-Term Care (LTC) Nursing Home Claims

LTC nursing home claims are identified by a value of “03” in the PATIENT RESIDENCE field on the claim. The following rules will apply when a LTC claim for Medicaid members is submitted for processing in the pharmacy POS system. It is the LTC eligibility that drives the co-pay responsibility for members.

1. If the member has a valid LTC segment in eligibility and the pharmacy sends the patient residence code of 03 the claim will pay without a co-pay.
2. If the member has a valid LTC segment in eligibility and the pharmacy does NOT send a patient residence code of 03 the claim will pay without a co-pay,
3. If the member does NOT have a valid LTC segment in eligibility and the pharmacy sends a residence code of 03, the claim will pay with a co-pay.

VPharm members residing in LTC facilities are not exempt from copays, because they do not have Medicaid LTC eligibility. Most over-the-counter drugs and supplies are not covered for LTC nursing home patients through POS as they are covered in the patient’s per-diem.

Providers submitting LTC claims are limited to one dispensing fee per patient per covered drug per month (“per month” will be considered 75% of a 34-day supply; this allows the provider a limit of one dispense fee per every 25 days). “Per covered drug” will be considered “per GPI” (*Definition:* A GPI, or Generic Product Indicator, includes all drugs sharing the same chemical composition, in the same strength, in the same form and that are administered via the same route.) Providers may request an override to the single dispensing fee limit for mitigating circumstances by contacting the Change Healthcare Pharmacy Help Desk at 844-679-5362. Acceptable circumstances for overriding the single dispense fee limit are:

- The physician has increased the dose.
- The medication did not last for the intended days’ supply.
- The drug has been compromised by accident (e.g., contaminated or destroyed).
- The medication is being dispensed due to the patient’s LOA (leave of absence) from the institution.

Except for controlled substances, unused or modified unit dose medication that are in reusable condition and which may be returned to a pharmacy pursuant to state laws, rules or regulations, shall be returned from LTC facilities to the provider pharmacy. The provider should void or resubmit the claim with the appropriate quantity dispense.

Special Claims

Multi-Ingredient Compound Claims

- Ingredients will be priced at the lesser of AWP – 14.2%, MAC, FUL, or U&C.
- The ingredients' costs will be totaled and priced at the lesser of the calculated cost or the claim's U&C cost.
- Containers other than syringes are included in the dispensing fee.
- Syringes must be billed as part of the compounded claim. They are not subject to a separate dispensing fee or compounding fee.
- A dispensing fee of \$19.75 for in-state pharmacies and \$17.50 for out-of-state pharmacies will be automatically added to all prescriptions submitted with a compound indicator of "2."
- All compounds must contain **more than one ingredient**. A diluent for a powdered dosage form will not be considered a compounded drug. Compounds submitted with only one ingredient will reject with a reject code of 76 with local messaging of "Minimum ingredients of 2."
- **Compound indicator must be "2"** (indicating a multi-ingredient compound).
- **NDC field in claim segment (i.e. Product/Service ID)** (not individual ingredients) must contain **11 zeros**. If an actual individual NDC is submitted in the Product/Service ID, the claim will reject with a reject code of 70 with local messaging of "Submit 11 zeros in the Product/Service ID and complete compound detail – more than 1 ingredient required."
- **Bulk powders/chemicals/products used in prescription compounding are not covered under the pharmacy benefit program.** CMS has clarified that bulk products are not considered covered outpatient drugs because they are not prescription drug products approved under Section 505, 505(j), or 507 of the Federal Food Drug and Cosmetic Act. Pharmacies must utilize other non-bulk, FDA-approved products for the claim to be covered (for example, tablets or capsules). Pharmacies should ask their wholesalers whether products are listed by First Data Bank with a "HIC3" of "U6W," or by MediSpan as 3rd Party Restriction of "B," each of which are designations of "Bulk Chemicals."
- Bulk powders used to compound products for the **prevention of pre-term labor** will continue to be covered after Prior Authorization in certain situations.
- **Oral Vehicles for Multi-Ingredient Compounded Prescriptions.** DVHA can reimburse you for the following oral vehicles used in compounded prescriptions.

Product ID	Type	Mfg	Label Name
00574-0302-16	NDC	PADDOCK	ORA-SWEET SF SYP
00574-0303-16	NDC	PADDOCK	ORA-PLUS LIQ
00574-0304-16	NDC	PADDOCK	ORA-SWEET SYP
00574-0311-16	NDC	PADDOCK	ORA-BLEND SUS CT
00574-0312-16	NDC	PADDOCK	ORA-BLEND SF SUSCT
00395-2662-16	NDC	HUMCO	CHERRY SYP
00395-2662-28	NDC	HUMCO	CHERRY SYP
00802-3959-28	NDC	HUMCO	CHERRY SYP

Submission Clarification Code 08. Multi-ingredient compound claims will reject if any of the ingredients used in the compound are from a manufacturer that does not offer federal rebate. *If the pharmacy is willing to only be reimbursed for the approvable products, the claim can be resubmitted with a submission clarification code 08.* Any questions about the submission of claims for compounded medications should be directed to the Change Healthcare Prescriber Help Desk at 1-844-679-5363.

Limited Distribution Drugs

Limited Distribution (LD) drugs are specialty drugs that are restricted by the manufacturer to be dispensed only by a select number of specialty pharmacies. These LD drugs typically have special requirements for dosing, administration, or close patient and laboratory monitoring. Because of these special requirements, drug manufacturers sometimes choose to limit the distribution of their drugs to only one or a few select pharmacies or, as part of the drug approval process, the Food and Drug Administration (FDA) may recommend this type of distribution. This type of restricted distribution allows the manufacturer to properly control the inventory of the drug; educate the dispensing pharmacists about the monitoring required; and ensure any risks associated with the medication are minimized.

Drugs dispensed by limited distribution pharmacies are paid, as of 07/01/11, as follows:

(a) “Multiple Source” drugs are paid at the lowest of:

- AWP-16.5% + dispensing fee;
- CMS Federal Upper Limit (FUL) + dispensing fee;
- State Maximum Allowable Cost (MAC) + dispensing fee;
- Usual and Customary (U&C) (includes dispensing fee); [or]
- Ingredient Cost Submitted + dispensing fee.

(b) “Single-source” limited distribution drugs are paid at the lowest of:

AWP-16.5% + dispensing fee; Ingredient Cost Submitted + Dispensing Fee or Usual and Customary (U&C) (includes dispensing fee).

Paper Claims

VTPOP and VTPARTD paper claims forms can be found online at:

<http://dvha.vermont.gov/for-providers/pharmacy>

These forms should be submitted to Change Healthcare for processing at:

Change Healthcare, Inc.
1 Green Tree Lane
South Burlington, VT 05403

Specialty Pharmacy

The Department of Vermont Health Access (DVHA) has selected BriovaRx® as the preferred pharmacy to serve Medicaid beneficiaries (where Medicaid is the primary insurer).

BriovaRx™ is currently the specialty pharmacy for select specialty drugs. These include, but are not limited to drugs in the following therapeutic classes:

- Crohn's/Ulcerative Colitis disease injectables (ex. Humira, Cimzia)
- Cystic fibrosis medications (ex. Kalydeco, Tobi® and Pulmozyme®)
- Drugs used to treat rheumatoid arthritis, juvenile idiopathic arthritis, psoriatic arthritis, and ankylosing spondylitis. These include Humira (adalimumab), Enbrel (etanercept), Simponi subcutaneous, Cimzia®, Orencia® Subcutaneous, and Xeljanz) as well as Simponi Aria® (if obtained through Pharmacy POS).
- Hemophilia factors
- Hepatitis C (Sovaldi®, Harvoni®, and other DAA's)
- Growth hormones
- Multiple sclerosis self-injectables (ex. Avonex®, Betaseron®, Copaxone®, Extavia® and Rebif®) and certain orals (ex. Aubagio®, Gilenya®, Tecfidera®)
- Oral oncology drugs: ex. Gleevec®, Hexalen®, Mesnex®, Sprycel®, Sutent®, Tarceva®, Temodar®, Tretinoin, Vesanoid®, Xeloda®.
- Hereditary Angioedema Medications (select) (ex. Firazyr)
- Psoriasis Injectables (Humira®, Enbrel®, and Stelara® (if obtained through Pharmacy POS)
- Synagis®

Other drugs will be added to the specialty program periodically. Dispensing of these medications is limited to these pharmacies for Medicaid beneficiaries where Medicaid is the primary insurer.

Return to Stock

When a beneficiary or the beneficiary's representative fails to pick up a prescription, pharmacies must reverse the claim submitted to DVHA within fourteen (14) calendar days of the date the prescription is filled. The date of service (e.g. the date the prescription is filled) is considered day one. The pharmacy must retain a record of the reversal on file for audit purposes.

Record Retention

Pharmacy records (including prescriptions) must be retained by the pharmacy for a minimum of seven (7) years.

Prospective Drug Utilization Review (ProDUR)

ProDUR is an integral part of the Vermont Medicaid claims adjudication process. ProDUR includes: reviewing claims for therapeutic appropriateness before the medication is dispensed, reviewing the available medical history, focusing on those patients at the highest severity of risk for harmful outcome, and intervening and/or counseling when appropriate.

Prospective Drug Utilization Review (ProDUR) encompasses the detection, evaluation, and counseling components of pre-dispensing drug therapy screening. The ProDUR system addresses situations in which potential drug problems may exist. ProDUR performed prior to dispensing assists pharmacists in ensuring that patients receive appropriate medications. This is accomplished by providing information to the dispensing pharmacist that may not have been previously available.

Because ProDUR examines claims from all participating pharmacies, drugs which interact or are affected by previously dispensed medications can be detected. While the pharmacist uses his/her education and professional judgment in all aspects of dispensing, ProDUR is intended an informational tool to aid the pharmacist.

Therapeutic Problems

The following ProDUR Reason of Service types will deny for the Vermont Medicaid program:

- Drug-to-Drug Interaction (Highest Severity Levels)
- Therapeutic Duplication

ProDUR Edits that deny may be overridden at POS using the interactive NCPDP DUR override codes (see below).

DUR Override Processing (NCPDP Reject Code 88)

When a claim is rejected for a DUR edit, pharmacies may override the denial by submitting the appropriate Professional Service and Result of Service codes.

Below you will find a chart that details the Professional Service and Result of Service codes that will override a claim that has been denied for Drug-to-Drug Interaction and/or Therapeutic Duplication. Note that the designated Professional Service Code must accompany the appropriate Result of Service code as indicated in the chart to allow the override.

DUR REJECT OVERRIDE PROCESSING (NCPDP Reject Code 88)

The valid DUR Reason for Service Codes for Vermont Medicaid are:

DD - Drug-Drug Interaction
TD - Therapeutic Duplication

The only acceptable Professional Service Codes are:

MR – Medication Review
M0 – Prescriber Consulted
R0 – Pharmacist Consulted Other

Please note that the designated Professional Service Code must accompany the appropriate Result of Service code as indicated below to allow the override:

DUR REASON FOR SERVICE (Conflict)	PROFESSIONAL SERVICE CODE (Intervention)		RESULT OF SERVICE CODE (Outcome)	
	CODE	DESCRIPTION	CODE	DESCRIPTION
DD, TD				
	MR	Medication review	1B	Filled prescription as is
	M0	Prescriber consulted		
	R0	Consulted other		
	M0	Prescriber consulted	1C	Filled with different dose
	R0	Consulted other		
	MR	Medication review	1D	Filled with different directions
	M0	Prescriber consulted		
	R0	Consulted other		
	MR	Medication review	3E	Therapy changed
	M0	Prescriber consulted		
	R0	Consulted other		

Days' Supply

Accurate days' supply reports are required on all claims. Submitting incorrect days' supply information in the days' supply field can cause false ProDUR messages or claim denial for that particular claim and/or for drug claims that are submitted in the future.

ProDUR Support

The Change Healthcare Pharmacy Help Desk is available 24 hours per day, seven days per week. The telephone number is 844-679-5362. If you need assistance with any alert or denial messages, it is important to contact the Help Desk about ProDUR messages at the time of dispensing. The Change Healthcare Pharmacy Help Desk can provide claims information on all error messages which are sent by the ProDUR system. This information includes NDCs and drug names of the affected drugs, dates of service, whether the calling pharmacy is the dispensing pharmacy of the conflicting drug, and days' supply.

The Pharmacy Help Desk is not intended to be used as a clinical consulting service and cannot replace or supplement the professional judgment of the dispensing pharmacist. Change Healthcare has used reasonable care to accurately compile ProDUR information. Because each clinical situation is unique, this information is intended for pharmacists to use at their own discretion in the drug therapy management of their patients.

A second level of assistance is available if a provider's question requires a clinical response. To address these situations, Change Healthcare staff pharmacists are available for consultation.

ProDUR Alert/Error Messages

All messages appear in the claims adjudication transmission. See Payer Specifications for more information.

Timely Filing Limits

Most providers submitting point of sale submit their claims at the time of dispensing. However, there may be mitigating reasons that require a claim to be submitted after the fact.

- For all original claims, reversals and re-bills, the timely filing limit is **183 days** from the date of service (DOS).
- Claims that exceed the prescribed timely filing limit will deny.
- When appropriate, contact Change Healthcare for consideration of an override to timely filing limits.
- Requests for overrides will be considered for:
 1. Retroactive beneficiary eligibility
 2. COB delay
 3. Denial date (depending on original adjudication date)
 4. At the State's request
- Overrides for timely filing limits greater than two years from the date of service will not be authorized.

Requests for timely filing overrides should be mailed to:

Change Healthcare®
1 Green Tree Dr.
South Burlington, VT 05403

Call the Change Healthcare Pharmacy Help Desk with any questions at 844-679-5362 or Email at PBA_VTHelpdesk@changehealth.com

Dispensing Limits and Days' Supply:

- Non-maintenance drugs (Definition: medications used on an “as needed” basis) are subject to a per claim days’ supply maximum limit of 34. There is no days’ supply minimum.
- "Maintenance drug" means a drug approved by the FDA for continuous use and prescribed to treat a chronic condition for a prolonged period of time of 30 days or longer, and includes insulin, an insulin syringe and an insulin needle.

Apart from the select drugs used for maintenance treatment described below, all other maintenance drugs must be prescribed and dispensed for **not less than 30 days and not more than 90 days, to which one dispensing fee will be applied**. Excluded from this requirement are medications which the beneficiary takes or uses on an “as needed” basis or generally used to treat acute conditions. If there are extenuating circumstances in an individual case which, in the judgment of the prescriber, dictate a shorter prescribing period for these drugs, the supply may be for less than 30 days as long as the prescriber **prepares in sufficient written detail a justification for the shorter period**. The extenuating circumstance must be related to the health and/or safety of the beneficiary and not for convenience reasons. It is the responsibility of the pharmacy to maintain in the beneficiary’s record the prescriber’s justification of extenuating circumstances. In these circumstances, regardless of whether or not extenuating circumstances permit more frequent dispensing, only one dispensing fee may be billed.

- *Mandatory 90-Day Supply Program:* Select drugs used for maintenance treatment must be prescribed and dispensed in no less than 90-day supply increments. The drug utilization review board makes recommendations to the Department on the drugs to be selected. This limit shall not apply to the first TWO fills (the original and one refill) of the medication in order to provide an opportunity for the beneficiary to try the medication and for the prescriber to determine that it is appropriate for the beneficiary’s medical needs. If there are extenuating circumstances in an individual case which, in the judgment of the physician, dictate a shorter prescribing period, an exception form that identifies the individual and the reason for the exception may be faxed to the Change Healthcare Prescriber Call Center at 844-679-5366.
- The first time a prescription is filled is referred to as the “initial fill” or “first fill,” while subsequent fills are referred to as “refills.” Up to five refills are permitted if allowed by federal or state pharmacy law.
- Claims will deny if the days’ supply limit is exceeded. Exceptions to standard days’ supply limits include:
 - Oral Contraceptives may be dispensed in a quantity not to exceed a 92-day supply.
 - Drugs provided to residents of a long-term care facility are not subject to the mandatory 90-day supply requirement. Residents of community care homes are not considered

- residents of long-term care facilities and therefore are subject to the 90-day refill requirement.
- Requests for overrides should go to the Change Healthcare Prescriber Help Desk 1-844-679-5363.

Quantity Limits:

All Quantity Limits are identified in the Preferred Drug List. The Preferred Drug List can be found at <http://dvha.vermont.gov/for-providers/preferred-drug-list-clinical-criteria>

Refills:

- All refills must be dispensed in accordance with State and Federal requirements.
- Refill prescriptions must be dispensed pursuant to the orders of the physician, but not more than one year from the date of the original prescription.
- Refills must not exceed 5 refills (plus one original).
- For DEA code = “3”, “4”, “5”: allow up to 5 refills (plus one original) or 6 months, whichever comes first.
- For DEA code = “2” no refills are allowed; a new prescription is required for each fill.

Early Refill Overrides (NCPDP Reject Code 79):

Claims will reject for refill requests when more than the percentage of the previous days’ supply still remains (see chart below). Pharmacies may request an override for claims that reject for early refill. To request an override, pharmacies must contact the Change Healthcare Pharmacy Help Desk at 1-844-679-5362

Day’s Supply	Percent (%) of Day’s Supply Used
1-4	50
5-13	75
14-39	85
40-60	90
61-102	92

Pharmacy Representatives should be prepared to provide the appropriate submission clarification code (reason) for the early refill request. See below:

Submission Clarification Code / Description

00/ not specified	Not acceptable for early refill override
01/ no override	Not acceptable for early refill override
02/ other override	Not acceptable for early refill override
03/ vacation supply	Acceptable; use for vacations and LTC leave of absence

04/ lost prescription	Acceptable
05/ therapy	Acceptable; use when prescriber changes dose
06/ starter dose	Not acceptable for early refill override
07/ medically necessary	Not acceptable for early refill override

Provider Dispensing Fees

- The dispensing fee for in-state pharmacies is \$4.75
- The dispensing fee for out-of-state pharmacies is \$2.50
- The dispensing fee for administering influenza (Flu) vaccine is \$20.35
- For compounded drugs:
 - The dispensing fee for in-state pharmacies is \$19.75
 - The dispensing fee for out-of-state pharmacies is \$17.50
- For drugs eligible under the 340B discount drug program:
 - The dispensing fee for all 340B entities is \$4.75, except for Federally-Qualified Health Centers and Planned Parenthood of Northern New England whose dispensing fees are \$15
 - The dispensing fee for 340B compounded drugs is \$19.75 except for Federally-Qualified Health Centers and Planned Parenthood of Northern New England whose dispensing fees are \$30

More information about the 340B Program can be found in the 340B Medicaid Manual, which can be found at <http://www.vtmedicaid.com/Downloads/forms/340-B%20Medicaid%20Carve%20In%20Program%20-%20FINAL.pdf>

- Exceptions:
 - There is a limited dispensing fee for LTC claims; i.e. one per every 25 days per patient per covered drug (per GPI)
 - No dispensing fee for glucometers

Recipient Payment Information (Copayments)

Vermont's publicly-funded drug benefit programs have no deductibles and no benefit maximums.

Traditional Medicaid:

When traditional Medicaid coverage is primary, copayments are:

- \$1 if allowed amount is equal to or less than \$29.99.
- \$2 if allowed amount is greater than or equal to \$30.00 but less than or equal to \$49.99.
- \$3 if allowed amount is equal to or greater than \$50.00.

Members with Medicare Part D Plans:

- 1) Full-Benefits Duals: Full-benefit dual eligible members (those who have both Medicaid and a Medicare Part D Plan) are responsible for copayments up to \$8.25 charged by the Part D Plan for 2015. If a member's Part D Plan is returning copayments greater than \$8.25, the member should call Green Mountain Care Member Services at 1-800-250-8427.
- 2) VPharm Members: For members who are enrolled in a VPharm Part D wrap program, Part D plan deductibles and coinsurance should be billed to VPharm.

There are two types of VPharm members: standard VPharm members and VPharm members with Low Income Subsidy (LIS). For members with LIS coverage, the Part D plan should return a maximum patient cost share of \$8.25. VPharm will wrap this LIS co-pay and leave the member with a \$1 or \$2 co-pay as described below.

For further clarification on how VPharm plans interact with Medicare Part D, see: <http://dvha.vermont.gov/for-providers/2012-coverage-grid.pdf>

Population affected	Prescriptions with DVHA cost share of \$29.99 or less	Prescriptions with DVHA cost share of \$30.00 or more
VPharm 1, 2 and 3 beneficiaries (VD, VE and VF): DVHA wraps copays from Part D Plan.	\$1.00 Co-pay	\$2.00 Co-pay
VPharm 1, 2 and 3 LIS beneficiaries: LIS at Level 1: DVHA wraps copays for Part D plans <u>from \$3.30 to \$8.25</u> . LIS at Level 2: DVHA wraps copays between <u>\$1.20 and \$3.70</u> . If a member's Part D Plan is returning copayments greater than \$8.25 for LIS members, the member should call Green Mountain Care Member Services at 1-800-250-8427	\$1.00 Co-pay	\$2.00 Co-pay

Copay Exceptions (no copayments apply):

- Patient is 20 years old or younger (based on Eligibility File)
- Drug is a family planning drug
- Patient is pregnant or in the 60-day post-pregnancy period (requires a prior authorization obtained by calling Change Healthcare Prescriber Help Desk at 1-844-679-5363)
- Claim is licensed nursing home (LTC) claim (requires Patient Location = “03” on the claim-see section above on Long-Term Care Nursing Home Claims)
- Medical supplies
- Influenza (flu) vaccine

When Healthy Vermonter coverage applies, the beneficiary must pay the full allowed amount.

Note: A pharmacy may not refuse to dispense a prescription to a Medicaid beneficiary who does not provide the copayment. However, the beneficiary will still owe the pharmacy any copayment that is not paid.

Coordination of Benefits

The following provides information on submitting COB claims.

Claim segment and field requirements are detailed in the Consolidated Payer Specification Sheet at <http://dvha.vermont.gov/for-providers/medmetrics-health-partners-mhp-billing-information>

The state-assigned Other Payer IDs can be found on the Active Payer and PDP Sponsor Lists found at <http://dvha.vermont.gov/for-providers>. These lists are:

- Insurance carriers / sponsors for COB claims filed under PCN Medicare Part D Plan
Sponsors for COB claims filed under PCN

Providers may submit up to three segments of information when there are multiple other payers.

Other Payer Coverage Codes (OCC)

Please see the following two OCC billing instruction grids outlining the correct use of OCC codes when billing for members enrolled in Vermont's publicly funded pharmacy programs. The Other Payer Coverage Code indicates the type of coverage the other insurer is providing for the claim. (See charts below for possible scenarios and circumstances.)

Other Payer Coverage Code (NCPDP Field #308-C8): Required on all secondary claims.

1. VTPOP (previously VTM) – COB 3

VT applies COB 3 option for their Coordination of Benefits for VTPOP plans. Plan IDs VTM01 and VTM05 are VTPOP plans.

Vermont Medicaid is the payer of last resort after other insurers. Claim segment and field requirements are detailed in the VT Payer Sheet and they are located at <http://dvha.vermont.gov/for-providers/medmetrics-health-partners-mhp-billing-information>

For members who are dual eligible for Medicaid and Medicare, and who have Plan Codes VTM 05 and VTM01: The following OCC codes **are not** appropriate for claims billed to VT Medicaid on a secondary basis.

OCC/Description	Processing Policy Vermont Coverage Secondary to Alternate Insurance
0 = Not Specified	Claim will reject
1 = No other coverage identified	Claim will reject
5 = Managed Care Plan denial	Claim will reject
6 = Other coverage Denied, not a participating provider	Claim will reject
7 = Other coverage exists-not in effect on DOS	Claim will reject
8 = Co-pay Only	Claim will reject

VTPARTD (previously VTD) – COB 2

VT applies COB 2 option for VPharm Plans (Plan IDs VTD01, VTD02, VTD03, VTD04, VTD05) Coordination of Benefits with Part D plans. The following provides information on submitting COB claims. Claim segment and field requirements are detailed in VT Payer Sheet located at <http://dvha.vermont.gov/for-providers/medmetrics-health-partners-mhp-billing-information>

Other Payer Coverage Codes (OCC)

Please see the following two OCC billing instruction grids outlining the correct use of OCC codes when billing for members enrolled in **VPharm Plans**. The OCC indicates the type of coverage the other insurer is providing for the claim. (See charts below for possible scenarios and circumstances.) Other Payer Coverage Code (NCPDP Field #308-C8): Required on all secondary claims. The following OCC codes **are not** appropriate for secondary claims from Part D Plans:

OCC/Description	Processing Policy Vermont Coverage Secondary to Medicare Part D Plan
0 = Not Specified	Claim will reject
1 = No other coverage identified	Claim will reject
2 = Other coverage exists, payment collected from primary insurance.	Claim will reject
4 = Other coverage exists, payment not collected from primary	Claim will reject
5 = Managed Care Plan denial	Claim will reject
6 = Other coverage Denied, not a participating provider	Claim will reject
7 = Other coverage exists-not in effect on DOS	Claim will reject

*The above rejections will produce reject error: NCPDP 13: M/I Other Coverage Code.

These OCC codes **are** appropriate for secondary claims for VPharm:

OCCURRENCE	CORRECT OTHER COVERAGE CODE TO USE	Processing Policy Vermont Coverage Secondary to Medicare Part B and Part D
The primary insurance rejects the claim.	3 = Other coverage exists, claim rejected by primary insurance	Claims submitted with an OCC = 3 will be subject to an edit to determine if drug class is Excluded from Part D coverage by CMS; if so, state will pay claim if all other state criteria are met. If product is not an Excluded Drug from CMS for Part D coverage, state will reject claim. Other Payer Reject Code is required (472-6E) OCC=3 does not apply to Medicare Part B.
Claim is billing for patient financial responsibility only	8 = Co-pay Only	Requires COB Segment including Other Payer ID and Other Payer-Patient Responsibility Amount fields, and Benefit Stage Fields. Leaving these fields blank is not permitted as it will result in the State paying the claim incorrectly. These claims will be subject to recoupment. Benefit Stage Fields not required for Part B drugs.

CMS Excluded Drugs, OTC Drugs, Diabetic Supplies

This would include drugs that Part D does not cover, such as cough and cold preps and OTCs. This also includes members who do not have Part B, but DVHA reimburses diabetic supplies not covered by Part D (example, lancets and strips).

Member Benefit:	Process Control #	Other Coverage Code:	Additional Information:
Dual Eligible (Medicaid /Medicare eligible with MAPD/PDP)	VTPOP	OCC3	Reject code from MAPD/PDP required
Creditable Coverage (Medicaid / Medicare eligible but no MAPD/PDP)	VTPOP	OCC3	Reject code from primary insurance required
VPharm (Medicare eligible with MAPD/PDP)	VTPARTD	OCC3	Reject code from MAPD/PDP required

GENERAL INFORMATION AND GUIDANCE

Transmissions

Refer to the NCPDP Telecommunication Standard Implementation Guide Version D. Ø for the structure and syntax of the transaction(s) within the transmission.

Segments

Each segment is listed as mandatory, situational, or optional for a given transaction in the NCPDP *Telecommunication Standard Implementation Guide*. If the segment is mandatory for a given transaction, that segment must be sent. If the segment is situational, the situations outlined in the guide must be followed for use.

Change Healthcare encourages providers to go to the website at <http://www.changehealthcare.com/solutions/pharmacy/payer-documents> to view all recent changes to the payer sheet.

Medicare Part B, C and D

Part B:

Vermont program coverage is always secondary to Medicare Part B Coverage. Medicare Part B coinsurance and deductible prescription drug claims with NDCs are processed by Change Healthcare.

Examples of Medicare Part B Covered Drugs:

- Oral Cancer Drugs
- Immunosuppressants
- Nebulizer Solutions
- Diabetic Supplies

To override the “Medicare as primary” requirement, pharmacies must first bill Medicare B, receive a denial, and then contact the Change Healthcare Pharmacy Help Desk at 1-844-679-5362. Pharmacies are no longer able to override at point of sale by entering 88888 in the other payer ID field.

Submission of Part B Secondary Claims (Member has Part B):

<u>Member Benefit</u>	<u>Processor Control #</u>	<u>Other Coverage Code</u>	<u>Additional Information</u>
Dual Eligible (Medicaid/Medicare eligible with MAPD/PDP)	VTPOP	OCC2, OCC4	
Creditable Coverage (Medicaid/Medicare eligible but no MAPD/PDP)	VTPOP	OCC2, OCC4	
VPharm (Medicare eligible with MAPD/PDP)	VTPARTD	OCC8	No benefit stage qualifier needed

Part D:

Effective January 1, 2006, Vermont beneficiaries who were also Medicare-eligible were enrolled in a Part D plan for primary coverage, with only a secondary benefit provided by Vermont programs.

Use an E1 request to determine if the member is enrolled in a Part D plan. If the member is enrolled in a Part D Plan, the E1 response will identify where to send the primary payment request as well as the processing information to submit to Medicaid for any secondary claim.

Vermont Medicaid members who have Part D coverage are eligible for a “wrap” benefit by the state. Depending on a member’s eligibility and the product that you are dispensing, this benefit may be a financial or a formulary wrap to the Part D vendor’s (PDP’s) drug benefit. Generally, coverage parallels coverage in Vermont’s Medicaid program. See the Vermont Pharmacy

Programs Coverage Chart for the most current information: <http://dvha.vermont.gov/providers/2012-coverage-grid.pdf>

See the Change Healthcare Consolidated Payer Sheet for claims submittal information at: <http://www.changehealthcare.com/solutions/pharmacy/payer-documents>

Medicare/Medicaid Eligible without a Part D Plan:

Point-of-Sale Facilitated Enrollment (POS FE) Process & Limited Income
Newly Eligible Transition Program (LI NET):

The POS FE process was designed to ensure that individuals with both Medicare and Medicaid, “dual eligible,” who are not enrolled in a Medicare Part D prescription drug plan, and do not have other insurance that is considered creditable coverage, are still able to obtain immediate prescription drug coverage when evidence of Medicare and Medicaid eligibility are presented at the pharmacy. Other individuals who qualify for the Part D low-income subsidy (LIS) are also able to use the POS FE process. To ensure coverage and allow for billing to a Medicare Part D Plan, follow these steps:

Step 1) Submit an E1 Transaction to the TROOP Facilitator. Note: If you are uncertain about how to submit an E1 or enhanced E1 query, please contact your software vendor.

If the E1 query returns a BIN/PCN indicating the patient has current drug plan coverage, **do NOT submit a claim to the POS FE process**. If the E1 query returns a Help Desk telephone number, this indicates the individual has been enrolled but the 4Rx data is not yet available. Please contact that plan for the proper 4Rx data.

If the E1 query does not return a BIN/PCN indicating the individual has current drug plan coverage, go to step 2.

Step 2) BIN/PCN to submit claims for the 2011 - Current Limited Income Newly Eligible Transition (LI NET) Program:

BIN: 015599

PCN: 05440000

ID Number: Medicare HIC Number

Group Number: may be left blank

More information on the LI NET program is available online at the following location: https://www.cms.gov/LowIncSubMedicarePresCov/03_MedicareLimitedIncomeNET.asp, or by calling the LI NET Help Desk at 1-(800)-783-1307.

Part C:

Medicare Part C consists of several Medicare Advantage Plan choices that are Medicare-approved and administered by private insurance companies.

- The Medicare Advantage Plans will replace Part A and Part B for members who choose to join. Some Medicare Advantage Plans also include drug coverage (Part D).
- For those plans that do not include Part D drug coverage, the member will need to have a separate Part D Plan in order to receive a pharmacy benefit.

When a beneficiary is covered by both Medicare B and D, drug claims must be processed by the appropriate insurer prior to submitting any balances to Change Healthcare®. DVHA will closely monitor this process.

Payer Specifications

Please refer to the most current Payer Specifications document on the following link on the Provider Services and Claims Processing Page at:

<http://www.changehealthcare.com/solutions/pharmacy/payer-documents>

The Payer Specifications include details on claims submissions, host information, claims processing messages, submission clarifications, DUR information, DUR service codes, and COB messages.

Provider Reimbursement

VT uses the following price calculation methodology for all drugs and plans unless otherwise specified in separate business rules:

For Non-Compound Brand Drugs

Lower of:

AWP-14.2% + Dispensing Fee
Ingredient Cost Submitted + Dispensing Fee
U&C Charge
Gross Amount Due

For Non-Compound Generic Drugs

Lower of:

AWP-14.2% + Dispensing Fee
MAC + Dispensing Fee
FUL + Dispensing Fee
Ingredient Cost Submitted + Dispensing Fee
U&C Charge
Gross Amount Due

For Compound Brand Drugs

Lower of:

AWP-14.2% + Dispensing Fee
Ingredient Cost Submitted + Dispensing Fee
U&C Charge
Gross Amount Due

For Compound Generic Drugs

Lower of:

AWP-14.2% + Dispensing Fee
MAC + Dispensing Fee
FUL + Dispensing Fee
Ingredient Cost Submitted + Dispensing Fee
U&C Charge
Gross Amount Due

- Vermont Medicaid is the payer of last resort after other insurers.

Secondary Claims (claims when other insurance is primary) *

1. Part D: For secondary claims when the Part D plan is the primary payer, Vermont Medicaid pays the amount designated in the claims “Other Patient Pay” field, reduced by any copayment made by the beneficiary.
2. Non-Part D: When other insurance is the primary payer, Vermont Medicaid pays the allowed amount as determined in the above payment algorithm reduced by the primary insurance payment, reduced by any copayment made by the beneficiary.

* See Coordination of Benefits, pages 24-26

Provider Reimbursement Schedule

The payment and Remittance Advice schedule is weekly.

Appendix A

VPharm II / VPharm III Covered Maintenance Drug Categories

- ADD/ADHD Treatments
- Adrenergic Agents
- Alzheimer's Disease Medications
- Angina (Chest Pain) Treatments
- Anticoagulants/Blood Thinners
- Anticonvulsants/Epilepsy Treatments
- Antidepressants
- Anti-Inflammatory Agents
- Antimalarials
- Antipsychotics/Schizophrenia Treatments
- Antiretrovirals
- Anti-ulcer/Reflux Treatments
- Anxiety Treatments
- Arthritis Treatments
- Asthma/COPD Treatments
- Bipolar Treatments
- Blood Cell Stimulators
- Cancer meds
- Cholesterol-Lowering Agents
- Contraceptives (oral/systemic)
- Diabetic Therapy
- Digestive Enzymes
- Diuretics
- Electrolytes & Miscellaneous Nutrients
- Estrogens
- Folic Acid Preparations
- Gall Stone/Kidney Stone Treatments
- Heart Arrhythmia Treatments
- Heart Failure Treatments
- Hypertension Treatments
- Irritable Bowel Treatments
- Local (topical) Anesthetics
- Non-Narcotic analgesics
- Ophthalmic preparations
- Other Cardiovascular Treatments
- Other CNS Treatments
- Overactive Bladder Treatments
- Parkinson's Disease Medications
- Progesterone
- Systemic Steroids (Glucocorticoids/Mineralocorticoids)
- Testosterone Replacement Therapy
- Thyroid Preparations
- Tuberculosis (TB) Treatments
- Urinary Antibacterials

Appendix B

VPharm2/VPharm3 Non-Covered Drug Categories

Non-Coverage Based Upon General Use for the Treatment of Acute Conditions

- Antibiotics (most classes)
- Antidotes (**agents used to treat accidental poisoning or overdose**)
- Antihistamines
- Antiseptics
- Antithyroid preparations
- Antivirals
- Biologicals
- Coal tar (**tar-based skin treatments for conditions like psoriasis or flakey skin**)
- Cough & cold preparations
- Dermatologic treatments
- Diagnostic meds
- Diarrhea Medications
- Digestants
- Emollients protectives (**topical treatments for dry skin**)
- Fertility treatments
- Fungal treatments
- Hemorrhoid preparations
- Iodine therapy (**iodine-based expectorants used to decrease mucus in various respiratory conditions**)
- Laxatives
- Medical supplies
- Multivitamins
- Muscle relaxants
- Narcotic analgesics
- Nasal preparations
- Nausea treatments
- Obesity preparations
- Otic (ear) preparations
- Parasite treatments
- Sedative/hypnotics
- Vaginal products
- Vitamins (fat-soluble)
- Vitamins (water-soluble)